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Washington, D.C. 20549

At 3/17/2004

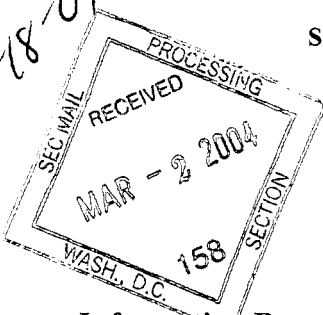
OMB APPROVAL

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ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

SEC FILE NUMBER

8- 50930

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2003

AND ENDING 12/31/2003

MM/DD/YY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: IAM Capital Corporation

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

c/o Iridian Asset Management, 276 Post Road West

(No. and Street)

Westport

CT

06880-4704

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jeffrey M. Elliott

203-341-9009

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Banker Associates P.C.

(Name - if individual, state last, first, middle name)

5 Hillside Avenue

Tenafly

NJ

07670

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

PROCESSED

APR 01 2004

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

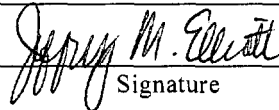
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SW

OATH OR AFFIRMATION


I, Jeffrey M. Elliott, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IAM Capital Corporation, as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A


Signature

Asst. Secretary

Title


Notary Public

JODI LYNN SCALLY
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2007

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

IAM CAPITAL CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2003

IAM CAPITAL CORPORATION

DECEMBER 31, 2003

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Banker Associates
Certified Public Accountants
A Professional Corporation

5 Hillside Avenue
Tenafly, New Jersey 07670

Telephone (201) 871-1363
Facsimile (201) 569-6915

INDEPENDENT AUDITORS' REPORT

Shareholder of
IAM Capital Corporation
Westport, Connecticut

We have audited the accompanying statement of financial condition of IAM Capital Corporation as of December 31, 2003 and the related statements of operations, changes in stockholder's equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IAM Capital Corporation as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Banker Associates, PC

February 2, 2004

IAM CAPITAL CORPORATION
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

Current assets:

Cash	<u>\$ 10,623</u>
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LIABILITIES AND EQUITY

Current liabilities:

Accrued expenses	<u>\$ 120</u>
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Equity:

Common stock, no par value, 100 shares authorized, issued and outstanding	\$ 100
Paid-in capital	29,900
Deficit	(19,497)
	<u>10,503</u>
	<u>\$ 10,623</u>

See notes to financial statements.

IAM CAPITAL CORPORATION
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2003

General and administrative expenses	(\$ 8,052)
Interest income	<u>75</u>
Net loss	<u>(\$ 7,977)</u>

See notes to financial statements.

IAM CAPITAL CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2003

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>(Deficit)</u>	<u>Total</u>
Balance - Beginning	\$ 100	\$ 24,900	(\$11,520)	\$ 13,480
Contribution		5,000		5,000
Net loss	<u> </u>	<u> </u>	(<u>7,977</u>)	(<u>7,977</u>)
Balance - End	<u>\$ 100</u>	<u>\$ 29,900</u>	<u>(\$19,497)</u>	<u>\$ 10,503</u>

See notes to financial statements.

IAM CAPITAL CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003

Cash flows from operating activities:	
Net loss	(\$ 7,977)
Add adjustment to reconcile net loss to net cash used in operations:	
Increase in accrued expenses	<u>120</u>
Net cash flow used in operating activities	(7,857)
Cash flows from financing activities:	
Capital contributed	<u>5,000</u>
Decrease in cash	(2,857)
Cash - beginning	<u>13,480</u>
Cash - end	<u>\$ 10,623</u>

See notes to financial statements.

IAM CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 1: Summary of Significant Accounting Policies

General

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD).

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**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION**

Shareholder's of
IAM Capital Corporation
Westport, Connecticut

We have audited the accompanying financial statements of IAM Capital Corporation as of December 31, 2003 and for the year then ended, and have issued our report thereon dated February 2, 2004. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Banker Associates, P.C.

February 2, 2004

IAM CAPITAL CORPORATION

SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND
EXCHANGE COMMISSION

DECEMBER 31, 2003

Net capital

Total stockholder's equity qualified for net capital, net capital	<u>\$ 10,503</u>
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Aggregate indebtedness:	
Total liabilities	<u>\$ 120</u>

Computation of basic net capital requirement	
Minimum net capital required	<u>\$ 5,000</u>

Excess net capital	<u>\$ 5,503</u>
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Excess net capital at 1,000%	<u>\$ 10,491</u>
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Percentage of aggregate indebtedness to net capital	<u>1%</u>
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Reconciliation with Company's computation
(included in Part IIA of Form X-17A-5 as
of December 31, 2003)

There are no differences between the Company's computation of net capital and the focus report.